



MINISTRY OF FINANCE AND THE PUBLIC SERVICE

TERMS OF REFERENCE
Consultant to Develop
Public Investment Performance Report

STRATEGIC PUBLIC SECTOR TRANSFORMATION
PROJECT

IBRD LOAN NO.: 8406-JM

1. RATIONALE FOR THE CREATION OF A PUBLIC INVESTMENT MANAGEMENT SYSTEM (PIMS) IN JAMAICA

The Government has committed to strengthen Jamaica's public investment management system, as part of a comprehensive public financial management (PFM reform) agenda. This reform has seen the incorporation of public investment management as part of an enhanced fiscal governance framework that seeks to increase fiscal surpluses over time and concurrently reduce the debt to gross domestic product (GDP) ratio so that public resources can be allocated to public investment and other activities that have the potential to contribute to growth in the economy.

Cabinet Decision No X of March 2014 gave approval for the institutionalization of the Public Investment Management System (PIMS) and, in doing so, standardize the treatment of public investment across the public sector with respect to the entire project cycle.

Public investment projects are ***“investments that require planning, execution, monitoring and evaluation carried out as an integrated set of activities aimed at meeting a development objective, at a specific cost and within a defined timeframe”*** (Section 48A, FAA Act Amendments 2014). The Financial Administration and Audit Act (FAA Act) (Amended), 2014¹ sets out the elements of the strengthened Public Investment Management System (PIMS) which will seek to create a *common framework for the preparation, appraisal, approval and management of all public investments in Jamaica, irrespective of the source of funding or procurement and implementation modalities*. A key element of the system is the Public Sector Investment Programme (PSIP); a rolling 5 year plan of Cabinet approved public investment projects.

Since these amendments, more legislative and regulatory work has been done to further refine the PIMS and, by extension, the PSIP. In February 2015, additional amendments to both the FAA and PBMA provided for exceptions to the definition of public investment. The exception limits public investment to those undertaken by entities within the specified public sector. The specified public sector is defined as the public sector minus those entities that will be certified as commercial by the Auditor General and, therefore outside of the fiscal rules, as at April 1, 2017. It is anticipated that only a few entities will qualify and the specified public sector will encompass much more than 90% of the public sector. The ambit of the PIMS and PSIP, therefore, is quite extensive in scope.

The Financial Administration and Audit (Amendment) Act 2014 – Fourth Schedule (Section 48B (2) provides that an element of the Public Investment Management System shall be a Public Investment Performance Report. This is a comprehensive performance report on the Government's Public Investment Programme, which shall be produced and published periodically by the Minister.

¹ Gazette 31st day of March 2014, enacted April 1, 2014

2. STRATEGIC PUBLIC SECTOR TRANSFORMATION PROJECT

The Project Development Objective (PDO) is to strengthen public resource management and support selected public sector institutions in facilitating a more enabling environment for private sector growth.

COMPONENTS

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|----------------|--|
| Component I: | Strengthening the Public Investment Management System |
| Component II: | Strengthening the Budget Preparation Process and Results-Based Budgeting (RBB) |
| Component III: | Adaptive Public Sector Approaches to Promote Fiscal Sustainability |
| Component IV: | Strengthening Property Tax Compliance and Administration. |
| Component V: | Fostering Industrial Growth and Trade Facilitation |
| Component VI: | Project Management |

COMPONENT I

The objective of this component is for the PSIP to incorporate public investment projects with estimated five-year operating and maintenance costs fully linked to long term development goals and medium-term priority areas.

This component will support the GOJ reform efforts through the following activities:

- (i) Migration of the current web-based database to a robust platform to manage all information about public investment across the project cycle and linked to the budgeting and financial systems of the country (expected to be compiled into IFMIS);
- (ii) Design and implementation of a public investment management training program for public sector;
- (iii) Reviewing legislation and carrying out dissemination activities to integrate the PIMS with the administrative systems (including procurement and human resources);
- (iv) Strengthening monitoring through Citizens Participation;
- (v) Designing a fund for the funding of pre-investment financial and economic analysis and post-investment evaluations of the Borrower's public investments; and
- (vi) Provision of technical assistance for the implementation of the Public Financial Management Action Plan.

3. OBJECTIVES OF CONSULTANCY

Develop the draft of the Public Investment Performance Report as required by the FAA Act.

4. SCOPE OF WORK

The consultant is required to, utilizing best practice, develop the structure, templates and drafts for the Public Investment Performance Report. The report will contain a review of the public investment portfolio of the GOJ to include the central government, Self-Financed Public Bodies and Public Private Partnerships under the purview of the DBJ. The report will include an examination of ;

- Sectoral and functional classification of existing and planned investment portfolio;
- Alignment of existing public investments with the long term national development plan and medium term socioeconomic policy objectives;
- Trends in total public investment
- Efficiency and impact of public investment
- Actions taken to improve GOJ's public investment management capacity
- Overview of the institutional performance along the project cycle including an assessment of investment planning, investment allocation, investment implementation, monitoring and evaluation
- Provide a review of the policy that guided the investments for the reporting period to determine alignment to and variation from the policy and the resulting outputs and impact;
- Include standard metrics to compare annual portfolio performance and sector performance;
- Status of PIMSEC Project Pipeline
- Status of DBJ's PPP Pipeline

The consultant will be required to have consultations with key stakeholders in the process to include:

- Ministry of Finance and the Public Service
- Public Investment Management Secretariat
- Planning Institute of Jamaica
- Specified Public Sector entities
- Development Bank of Jamaica
- Cabinet Office
- Donor Agencies

5. METHODOLOGY

The exercise to be undertaken by the Consultant will be informed by this Terms of Reference, the Preliminary Assessment already conducted, the Technical and Financial Proposals received from the Consultant, and any negotiations conducted following the selection of the Consultant.

The Consultant will be required to prepare a detailed methodology and work plan indicating how the objectives of the assignment will be achieved, and the support required from the Ministry.

6. DELIVERABLES

| Key Deliverables | Proposed Timeline | Standard for Delivery |
|---|--|--|
| 1. Work Plan and associated Gantt Chart outlining the assignment to be undertaken | 2 weeks after signing of contract | A time-bound Work Plan in Microsoft Word identifying activities, methodology and required resources, this should be linked to a Gantt outlining tasks, duration and start and end dates. The format of the document should be agreed prior to submission |
| 2. Draft Public Investment Performance Report | To be determined by the work plan | The report should include at a minimum: <ul style="list-style-type: none">• Comprehensive structure for the report;• Data from all sections of the Specified Public Sector to include MDAs and Public Bodies;• Recommendations to move performance from existing levels detailed in the report to specific targets identified for the short, medium and long term. |
| 3. Finalized version of the Public Investment Performance Report | Three weeks prior to the end of contract | Changes agreed should be reflected in the final report. Submitted within the timeframe agreed. |

7. PROJECT MANGEMENT AND ACCOUNTABILITY

7.1 Sign-off Procedure

A Technical Working Group will be established to oversee the Change Process within the PIMS. Deliverables will be considered certified as satisfactory when they are accepted by the Technical Working Group, and the Deputy Financial Secretary Public Expenditure Division based on the defined and agreed performance standards for delivery. The consultant will report directly to the Technical Coordinator Component 1.

8. QUALIFICATIONS

The Consultant is required to have the following minimum qualifications:

1. At a minimum a Master's degree in Economics
2. Training in project and investment analysis methodologies especially for public sector projects
3. Advanced proficiency in data analysis (quantitative and qualitative) and report writing
4. At least 2 years' experience in policy development and policy analysis.
5. Previous experience contributing to the formulation of good practices in public administration

9. COMMENCEMENT DATE AND PERIOD OF EXECUTION

The consultant must be prepared to complete the assignment within a sixty (60) day period commencing October 2017 to be completed by January 15, 2018.